

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6060

BILL NUMBER: HB 1014

NOTE PREPARED: Oct 29, 2008

BILL AMENDED:

SUBJECT: Age Discrimination.

FIRST AUTHOR: Rep. Smith V

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that it is the public policy of the state to provide its citizens equal opportunity, regardless of whether an individual is 40 years of age or older, and to eliminate separation or segregation on the basis that an individual is 40 years of age or older. This bill also transfers jurisdiction over age discrimination proceedings from the Commissioner of Labor to the Civil Rights Commission. It also prohibits certain actions by an employer, a labor organization, or an employment agency relating to discrimination against an individual 40 years of age or older.

The bill establishes procedures for filing an age discrimination complaint. It provides that an age discrimination claim properly filed with the Department of Labor will be adjudicated by the Department of Labor. It also repeals provisions concerning the jurisdiction of the Commissioner of Labor over age discrimination cases.

Effective Date: July 1, 2009.

Explanation of State Expenditures: *Department of Labor:* This bill transfers jurisdiction over age discrimination proceedings from the Department of Labor to the Indiana Civil Rights Commission. The Department of Labor reports that the majority of age discrimination cases are filed at the federal level. Generally, it is estimated that fewer than ten cases of age discrimination are filed with the state each year. While the transfer may cause a slight reduction in the administrative workload of the Department of Labor, it is not expected to decrease the Department's personnel costs.

Civil Rights Commission: Transferring jurisdiction over age discrimination proceedings from the Department of Labor to the Civil Rights Commission could increase the number of age discrimination cases filed at the

state level. One reason for an increase is that the Commission would be able to award more reparations than the Department of Labor. If the Commissioner of the Department of Labor finds that an employer has discriminated against an employee because of the employee's age, the only redress available to the Commissioner is to issue a finding of fact. The Civil Rights Commission, on the other hand, can fully investigate discrimination claims, award back wages, and institute administrative changes within an offending entity. The bill requires that an individual file a complaint within a year of the alleged discriminatory practice.

The Commission estimates that this bill will cause an increase in the number of age discrimination cases filed at the state level rather than the federal level. The number of additional staff needed to investigate these cases is indeterminable. The number of new staff will depend on the number of cases initiated at the Commission that would not have been initiated at all, or that would have been initiated at the federal level. Therefore, the overall increase in personnel and administrative costs to the Commission is indeterminable.

Any funds and resources required by the Commission could be supplied through a variety of sources, including: (1) existing resources not currently being used to capacity; (2) funds that, otherwise, would be reverted; or (3) new appropriations. As of the October 13, 2008, state vacant positions report, there were four personnel vacancies within the Commission with annual salaries totaling approximately \$133,600. According to the Commission, none of the personnel vacancies are for the position of case investigator. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions. The bill does not contain an appropriation.

Explanation of State Revenues: The federal government may reimburse the state for some age discrimination cases pursued by the Indiana Civil Rights Commission.

Explanation of Local Expenditures: This provision would affect local civil rights entities if it encourages complainants to file at the state level as opposed to the local level. Currently, an age discrimination complainant may file with a local civil rights commission, with the state Department of Labor, or at the federal level.

Explanation of Local Revenues:

State Agencies Affected: Indiana Civil Rights Commission; Department of Labor.

Local Agencies Affected: Local civil rights commissions.

Information Sources: U.S. Equal Employment Opportunity Commission, Reports Library.

Fiscal Analyst: Diana Agidi, 317-232-9867.